



QUESTAR

Market Resources Group

“Best Management Practices: Sustainable Development on the Pinedale Anticline”

**June 23, 2004
BLM National Fluid Minerals**

Pinedale Anticline Project

(PAPA 197,345 Acres)

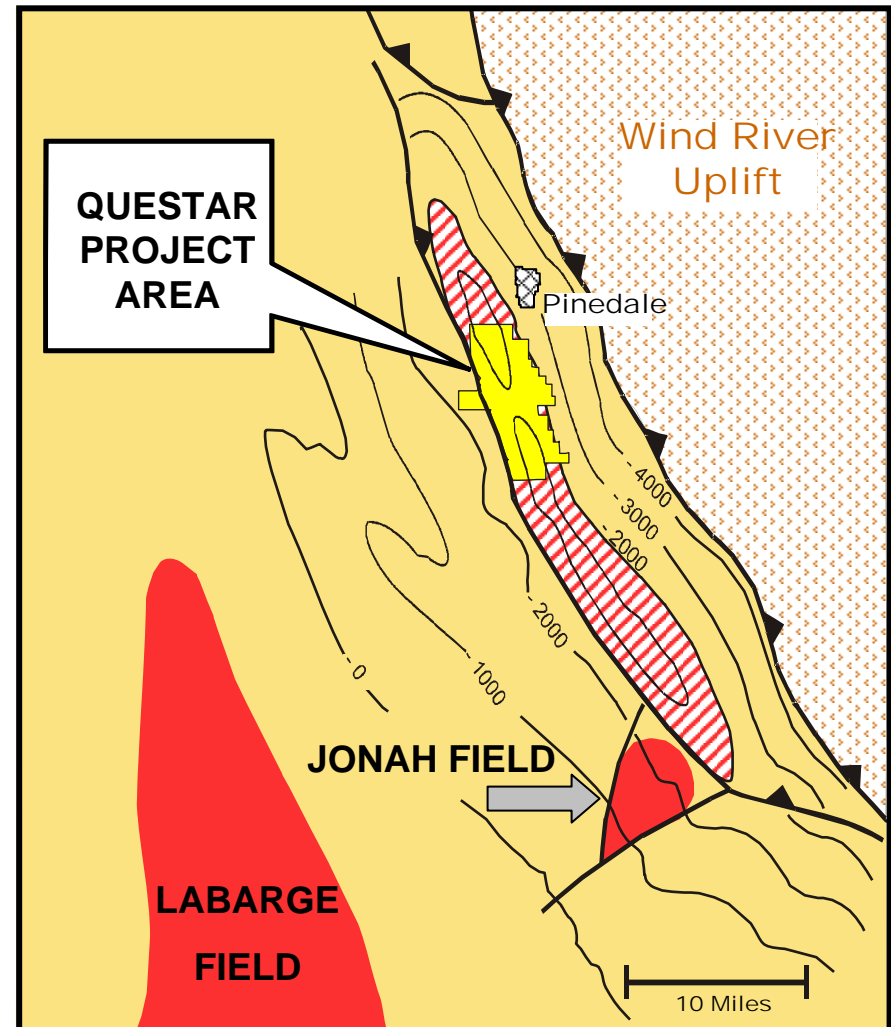
Questar Acreage:

- 14,800 Acres (8,600 Prod.)
- 7.5% of PAPA (4.4%)
- 100% of acreage is in critical mule deer winter range and habitat for sage grouse

Development:

- Began 1963
- 76 Current Wells
- 250 to 430 total BHL's
- 20-acre downspacing likely

Potential Reserves > 20 TCF from the Pinedale Anticline



Questar's Commitment To: BEST MANAGEMENT PRACTICES

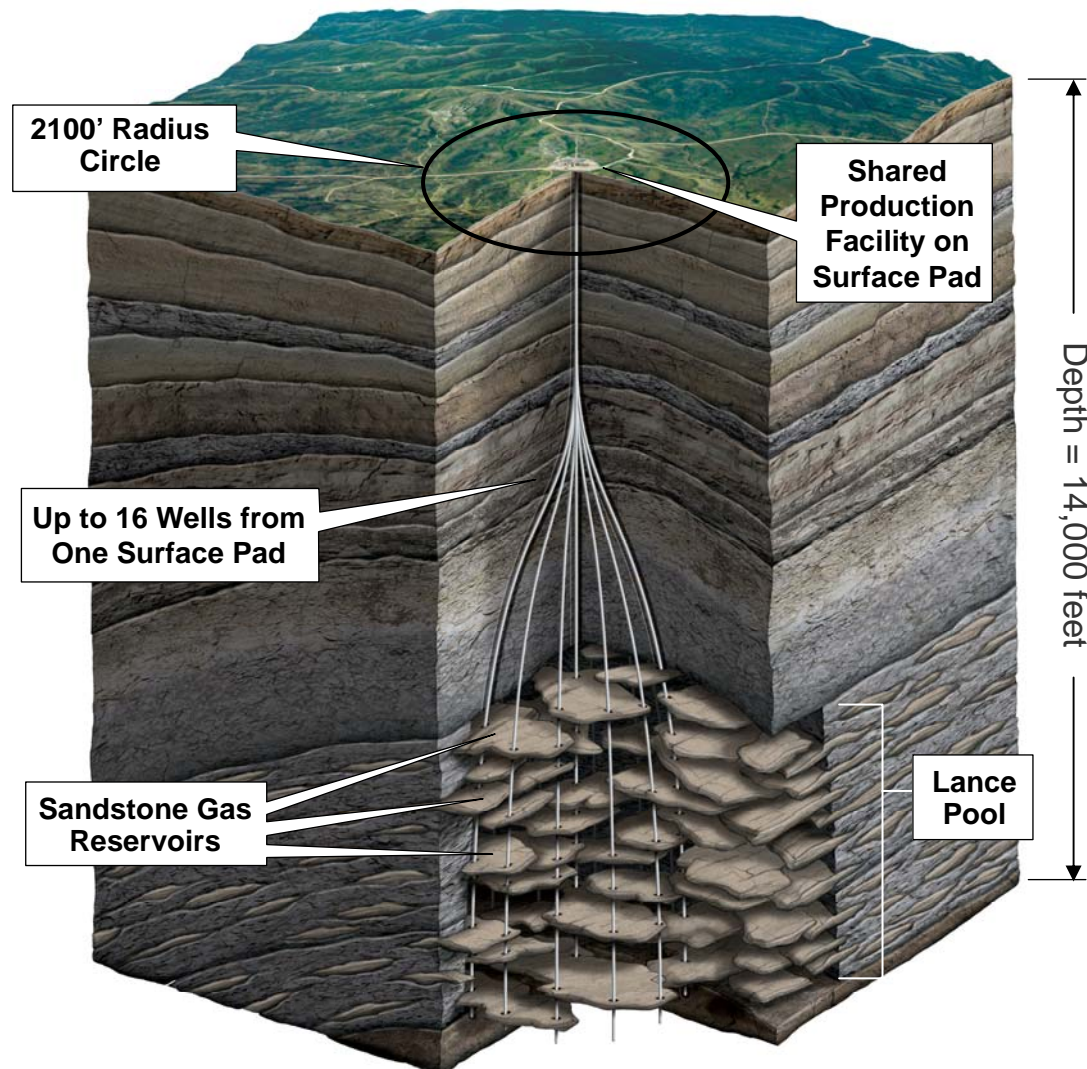
- *"Improved actions for achieving improved results:"*
 - New Technologies and Approaches
 - Wildlife Habitat Management, Enhancement & Reclamation
 - Public Involvement
- Timely & site-specific proposal for sustained year-round operations will increase safety, stabilize contribution to the local economy and minimize:
 - Surface disturbance
 - Disruption of wildlife
 - Traffic and dust
 - Noise, emissions & visual impacts
 - Duration of drilling

Questar's Commitment To:

NEW TECHNOLOGIES & APPROACHES

- Directional Drilling
 - **Less impacts to wildlife and wildlife habitat**
 - **Significantly minimize visual and physical impacts to surface**
 - **Fewer roads & less road traffic required (and less habitat fragmentation, less public access roads)**
 - **Should be considered on a site-by-site basis.**
- Liquids Pipelines
 - **Eliminate tanks and trucking**
 - **Pipeline will eliminate more than 25,500 semi-truck trips per year**
 - **Lowers NOx emissions from production equipment by more than 40% per well.**
 - **Production facilities consolidated**
- Flareless Completions
- SCADA system
- Oil-based mud

Multiple directional wells from one pad REDUCES TOTAL SURFACE IMPACT



Questar's Commitment To: WILDLIFE HABITAT MANAGEMENT, ENHANCEMENT & RECLAMATION



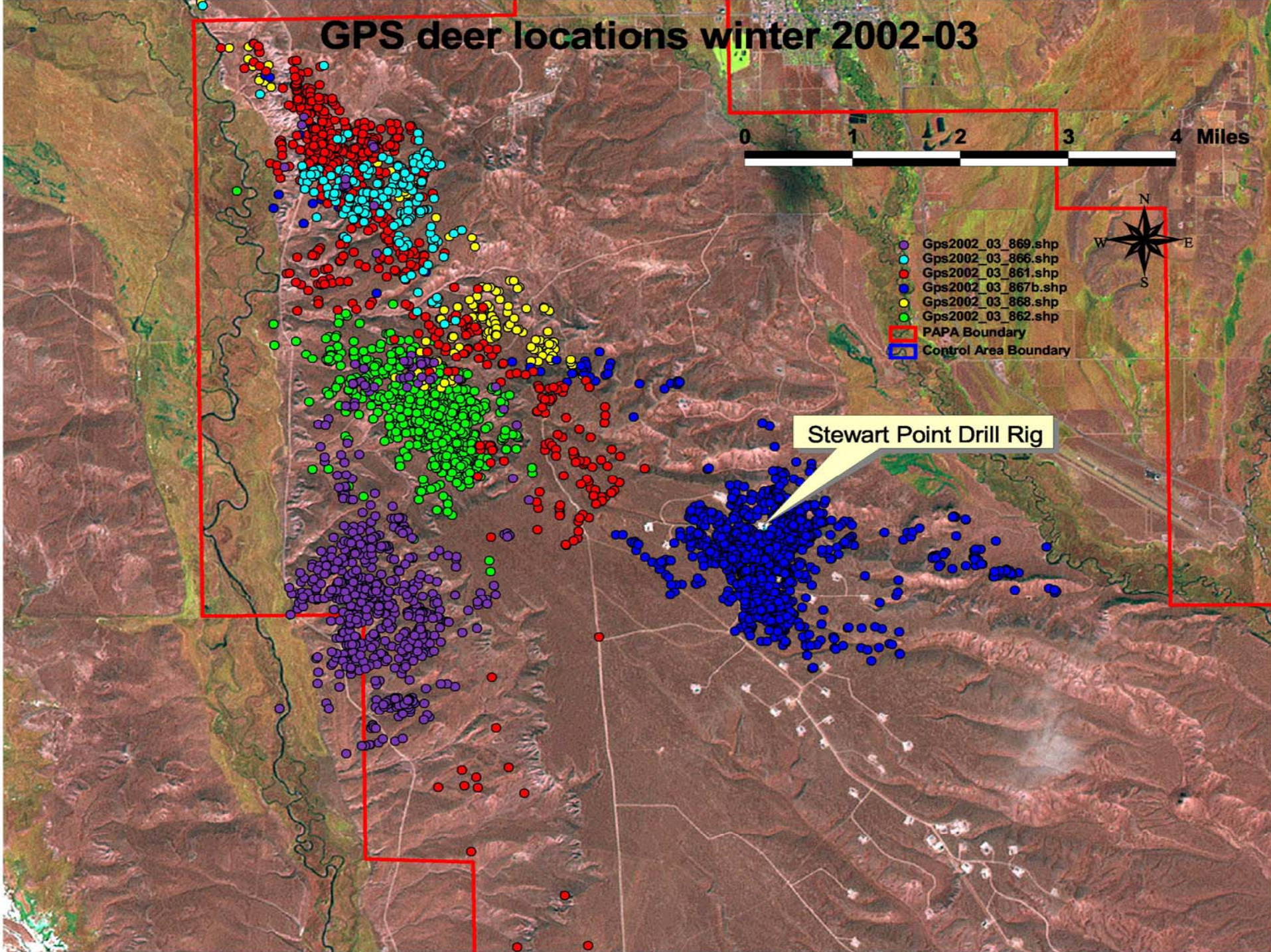
- Committed to sound science: 3rd year of voluntary study of winter operations on seasonal deer habitat with Game and Fish & University of Wyoming
- Proposal reduces habitat disturbance, also benefiting winter concentration areas, leks and nesting areas.
- Committed to funding range habitat improvements and/or other on-site mitigation as recommended by Agencies
- Cooperative effort with specialists for sagebrush growth management plan.
- Post-drilling reclamation of well pads will minimize Questar's total post drilling footprint to approximately 260 acres.
- Endorsed methods for accelerating habitat restoration will also be explored.

GPS deer locations winter 2002-03



- Gps2002_03_869.shp
- Gps2002_03_866.shp
- Gps2002_03_861.shp
- Gps2002_03_867b.shp
- Gps2002_03_868.shp
- Gps2002_03_862.shp
- PAPA Boundary
- Control Area Boundary

Stewart Point Drill Rig



Questar's commitment to: PUBLIC INVOLVEMENT

"NEPA is not designed to create more paperwork, but to foster excellent action."

- Actively engaging public anytime, anywhere through Neighbor-2-Nighbor Program
 - Have met with 250+ people including elected officials, civic organizations, government agencies, community members, conservation organizations and media since October 2003.
- Supportive of PAWG process

Questar Pinedale Project

MITIGATION SUMMARY

	Permitted by EIS/ROD	Questar Proposal
Surface Disturbance (including new roads)	1474 Ac	533 Ac
Surface Disturbance	150 Pads (98 new)	61 Pads (9 new)
Semi-Truck Trips Annually	25,467	0
Emissions (NOx)	133 TPY	116 TPY
Duration of drilling	18 yrs	9 yrs
On-Site Mitigation Costs	\$37.5MM	\$209.5MM

Questar Pinedale Project

LESSONS LEARNED

- Benefits of BMPs are being realized by investing in:
 - New technologies and approaches;
 - Dedicating resources and working cooperatively on wildlife and habitat mitigation solutions; and,
 - Building better relationships w/ our neighbors.
- Questar has developed solutions in Pinedale that promote sustainable development.
 - A win-win for wildlife and everyone involved – including government agencies, the community, Questar and the industry-at-large.
 - Pinedale project exemplifies the Department of Interior's four Cs initiative of "consultation, cooperation, communication – all in the service of conservation."



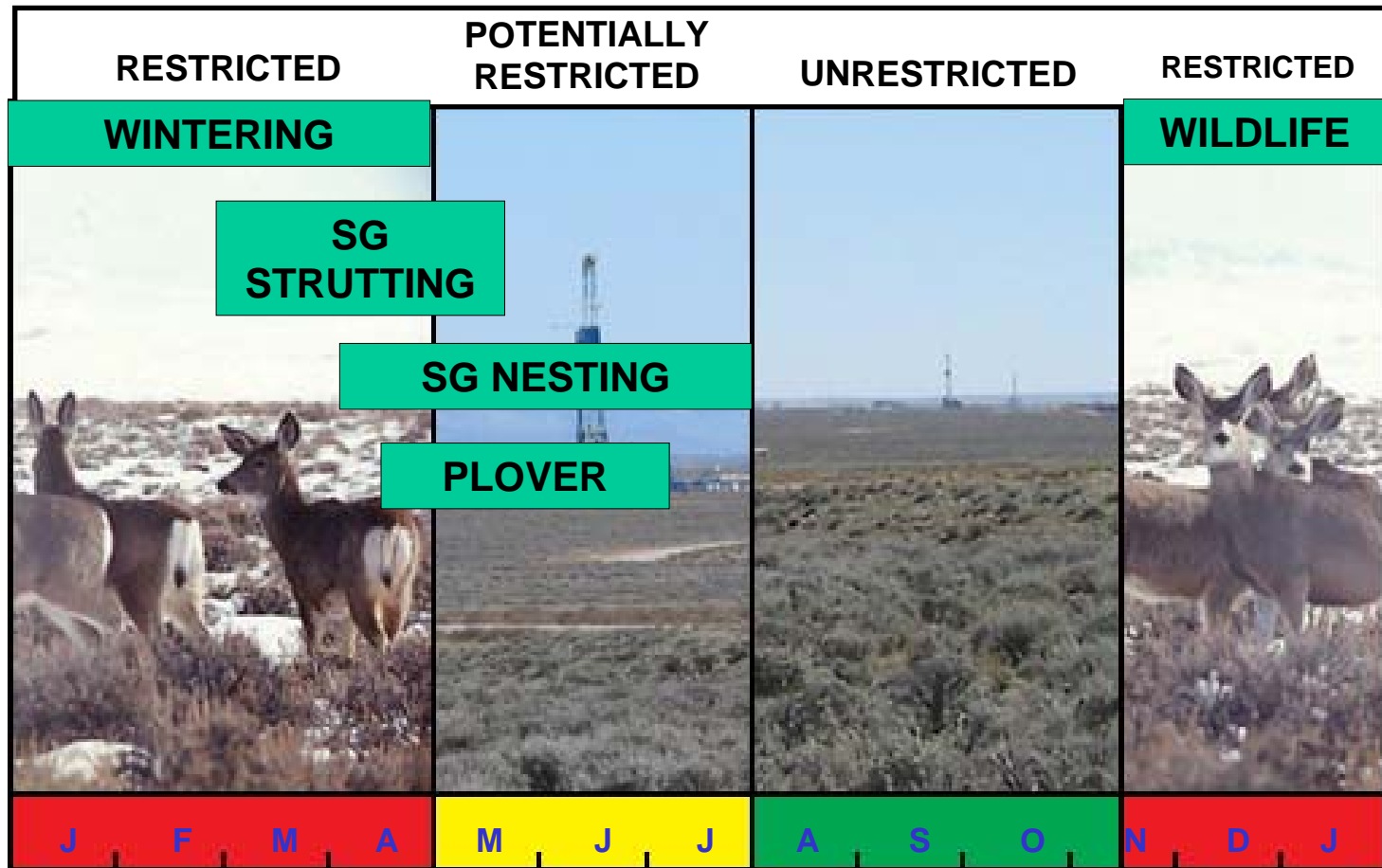
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Current wildlife restrictions compress drilling activities into a narrow window



Producing Wells on 2002-2003 Winter Pad



View to Southeast, 21 May 2003



Photo Model: After All Proposed Pads Are Built



Photo Model: All pads contemplated in EIS



Photo model: After All Proposed Pads Are Built



Conservation Benefits of Water / Condensate Pipelines

- The pipeline will provide significant conservation and efficiency benefits, but will provide minimal economic benefits to Questar.
- Significant benefits to wildlife habitat despite minimal surface disturbance during construction.
- Pipeline will eliminate more than 25,500 semi-truck trips per year on and off the Mesa and associated road construction.
- Eliminates use of most production equipment associated w/ truck hauling.
- Lowers NOx emissions from production equipment by more than 40% per well.

Expanded Year-Round Access:

Other Reasonable & Prudent Alternatives Available Now

- 2 rigs per pad
 - Bulk materials on pad = minimize deliveries
 - Bus crews to location = minimize traffic
 - Reduced duration of disturbance
 - Not all of Mesa busy all the time
- Reduce fresh water use with oil based mud
- Expanded pad production facilities
 - Consolidate production equipment
 - No storage tanks on location
 - reduced emissions from tanks and equipment
 - reduced equipment / visibility
 - fewer new producing pads / less operator mileage
- Expedited completion
 - Reduce / eliminate flaring
 - flame / glow / steam / noise
 - reduce volume of unsold gas

Expanded year-round access is operationally safer and will minimize impact to wildlife habitat, the environment, community, and service sector.

ACTIVITY REQUIRED TO DRILL: 42 WELLS PER YEAR

